Edmonton's Employment Remains Steady

December 2, 2015

For the third month, **employment in the Edmonton region was stable.** After steep job losses over the past year, employment in construction, manufacturing and energy were essentially unchanged in November suggesting that employment in these sectors has stabilized.

Employment losses were largely full-time positions in professional services and the financial sector. Part-time employment rose modestly in November in the education and retail and wholesale trade sectors. Average weekly wages continued to move up, resulting in an annual growth rate of 3.6%.

While employment losses were modest at 200 positions, the Edmonton CMA's unemployment edged down from October's rate of 6.9% to 6.8% in November 2016. This was the result of just over 1,000 individuals leaving the region's labour force. The unemployment rate for Calgary in November 2016 was 10.3%.

Labour Force Survey Results – Edmonton Census Metropolitan Area

Three-month moving average – seasonally adjusted

	Nov 2015	Oct 2016	**Nov 2016**	Oct 2016 to Nov 2016	Nov 2015 to Nov 2016	Oct 2016 to Nov 2016	Nov 2015 to Nov 2016
	(000)	(000)	**(000)**	(000)	(000)	%	%
Population (15 years and older)	1109.9	1125.8	**1126.6**	0.8	16.7	0.1	1.5
Labour force	825.4	806.8	**805.5**	-1.3	-19.9	-0.2	-2.4
Employment	774.5	751.0	**750.8**	-0.2	-23.7	0.0	-3.1
Unemployment	50.8	55.8	**54.7**	-1.1	3.9	-2.0	7.7
Unemployment rate (%)	6.2	6.9	**6.8**	-0.1	0.6	...	...
Participation rate (%)	74.4	71.7	**71.5**	-0.2	-2.9	...	...
Employment rate (%)	69.8	66.7	**66.6**	-0.1	-3.2	...	...

Source: Statistics Canada

As was the case in Edmonton, employment in **Alberta** fell in November 2016. The net job loss for the province was 12,800 positions. Like Edmonton, job losses were heavily biased toward full-time positions with a decrease of 13,600 full-time positions as compared to a gain of about 800 part-time jobs. The primary sources of lower employment in Alberta in November were

construction and information, culture and recreations services. With weaker employment Alberta's unemployment rate was up from 8.5% in October to 9.0% in November of 2016.

Employment levels were up at the national level, with gains in part-time employment for the month of November. Most of **Canada's** job gains were in financial services, information, culture and recreation and agriculture. Modest employment gains and a drop in the number of individuals seeking work brought Canada's unemployment rate down from 7.0% in October 2016 to 6.8% in November of 2016.

Significance

The job losses over the past two years in the goods producing side of Edmonton's economy demonstrates that the region is not immune to the impact of decreased oil prices. However, with the recent stability in levels of employment in energy, manufacturing and construction it appears Edmonton's labour market has absorbed the worst of job losses associated with the downturn in energy prices. As we move into 2017, employment will improve modestly, particularly in areas such as manufacturing and energy with the unemployment rate moving back up to 7.5% range as the number of job seekers increases more rapidly than new jobs becoming available.

The ongoing growth in the working-age population—up 1.5% from November 2015 to November 2016— and a strong participation rate in the labour force highlight Edmonton's relatively good job prospects when compared to the rest of Alberta. Growth in the number of job seekers has been an important factor in moderating wage increases by addressing labour and skill shortages that began to emerge in Edmonton prior to the downturn in energy prices. With Edmonton's unemployment rate now at 6.8% and good job gains elsewhere in Canada, net migration into the region has slowed down, especially when compared to the volumes seen over the past several years.

The very solid year-over-year growth in the average weekly earnings in Edmonton—up 3.6% in the past year—bodes well for the housing and retail segments of the Edmonton economy. Higher incomes and modest inflation will provide support to consumer confidence and spending over the remainder of 2016 and into 2017.

Limitations

Since employment trends, particularly in the full-time category, tend to lag behind developments in overall economic activity; they are a better indicator of past, rather than current, conditions in the economy. However, employment trends are useful predictors of future changes in incomes and consumer spending. Statistics Canada publishes a three-month moving average of all labour force values for the Edmonton region, an approach that sometimes results in the number of reported jobs lagging behind developments in the Edmonton region's economy.

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